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FISCAL IMPACT REPORT

ORIGINAL DATE 2-15-2007

SPONSOR Leavell LAST UPDATED _____ HB _____

SHORT TITLE Study School Dual Credit Programs SB 223

ANALYST Dearing

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	*\$500.0	Nonrecurring	General Fund
		*Please see narrative	

(Parenthesis () Indicate Expenditure Decreases)

Conflicts with Senate Bill 943

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)

Public Education Department (PED)

SUMMARY

Synopsis of Bill

Senate Bill 223 requires the Higher Education department to conduct a study and report on dual credit programs within the State.

FISCAL IMPLICATIONS

Senate Bill 223 carries no appropriation. Enactment of Senate Bill 223 would require the Higher Education department to study dual credit programs in New Mexico and prepare a report on the findings of that study.

*Estimates of the costs incurred with conducting this study were not provided by the Higher Education department. HED *generally* stated that some level of funding must be appropriated to accomplish provisions of Senate Bill 223. The department referenced the original request of the Alignment Task Force for \$500 thousand to fund the study, however a cost breakdown/analysis was not provided in the agency's response to this legislation.

SIGNIFICANT ISSUES

The goal of the dual credit study proposal is to increase student access to dual credit courses throughout New Mexico by accurately documenting students who participate and the funding flow required to support program expansion. Currently, data collection and reporting varies among the school districts, colleges and universities, and there are different methods of funding and accounting for the student FTE. (Note: the 1990 legislation defining creating dual credit programs provides for funding through both public education and higher education formulas). This proposal addresses issues identified by the joint HED/PED Alignment Task Force/Dual Credit Subcommittee.

The NMHED/PED Alignment Task Force identified dual credit programs as a strategy to promote alignment.

The study shall result in a report that will:

- Be based on two school districts that are paired with colleges or universities with dual credit agreements;
- Analyze two or more years of student data;
- Document the definition and flow of students who participate in dual credit programs;
- Use student reporting data to trace the flow of funds through HED and Public Education Department (PED) formulas;
- Quantify student costs of participation, including tuition, books, fees and transportation;
- Report outcomes for students participating in dual credit courses, including grade point average, number of courses taken, number of students graduated and number of college credits earned;

Finally, the report shall result in a recommendation for funding mechanism. The funding mechanism recommendation is perhaps the most significant issue involved in Senate Bill 223 provisions.

PERFORMANCE IMPLICATIONS

The Higher Education department has requested a policy study of existing dual credit programs in the State, specifically to gather information regarding the final requirement of Senate Bill 223, the provision requiring a funding recommendation.

While provisions in Senate Bill 223 prescribe a report based on *two (2) school districts* and associated higher education institutions, the department has proposed an *exhaustive study of statewide programs* is necessary to provide information for the required funding mechanism recommendation.

The language in Senate Bill does not specify which districts and associated higher education institutions are to be included in this study.

ADMINISTRATIVE IMPLICATIONS

Senate Bill 943 would require the Higher Education department to oversee the study of dual-credit programs.

CONFLICT

Senate Bill 223 relates to SB943. Senate Bill 943 creates a new section of statute addressing the dual credit issue. The proposed legislation will allow high school students the ability to attend higher education institutions, receive credit in both, and provides a mechanism to fund dual credit programs.

Funding for dual credit students would be provided through several methods. The district, or students' originating school would provide funding for the re-circulating texts and other materials necessary for the higher-level courses.

Post-secondary institutions would be *required* to waive general fees; and *encouraged* to waive tuition. Section 1 (e) of Senate Bill 943 directs the Higher Education department to revise the funding formula for post-secondary institutions to address enrollment in dual-credit programs. The bill does not specify a detailed methodology for establishing these "incentive" adjustments.

Additionally, there is no provision in Senate Bill 943 addressing the implications of a necessary and subsequent reallocation of funds among institutions that would result from the proposed revision to these "incentive" adjustments proposed in Section 1 (e).

It is not clear whether the study proposed in Senate Bill 223 would be necessary in the event Senate Bill 943 is enacted.

Since the final requirement of Senate Bill 223 is for the Higher Education department to provide a recommendation for a funding mechanism, and Senate Bill 943 provides such funding mechanism, the bills are in conflict.

PD/csd